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**Consideration of reports on the work of the Standing Committee
Programme budgets, management, financial control
and administrative oversight**

Internal audit in the Office of the United Nations High Commissioner for Refugees for the period from 1 July 2017 to 30 June 2018

Report of the Office of Internal Oversight Services

Summary

This report provides an overview of the internal audit activities undertaken by the Office of Internal Oversight Services (OIOS), in respect of the Office of the United Nations High Commissioner for Refugees (UNHCR), covering the period from 1 July 2017 to 30 June 2018. It is provided pursuant to the decision of the Executive Committee to consider reports relating to programme and administrative oversight during its annual plenary session (A/AC.96/1003, para. 25(1)(f)(vi)).

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I. Introduction

1. This report provides an overview of the internal audit activities undertaken by the Office of Internal Oversight Services (OIOS), in respect of the Office of the United Nations High Commissioner for Refugees (UNHCR), during the period from 1 July 2017 to 30 June 2018. It is prepared for consideration during the sixty-ninth session of the Executive Committee of the High Commissioner's Programme, following consultation with the High Commissioner.

2. OIOS provides internal audit services to UNHCR in accordance with:

(a) General Assembly resolutions that pertain to the mandate, functions and operations of OIOS, which include but are not limited to resolutions 48/218B, 54/244, 57/287B, 59/272, 64/263 and 69/253;

(b) United Nations Financial Regulation 5.15;

(c) Article 12 of the Financial Rules for Voluntary Funds administered by the High Commissioner for Refugees (A/AC.96/503/Rev.10);

(d) Secretary-General's Bulletin ST/SGB/273 on the establishment of the Office of Internal Oversight Services; and

(e) A memorandum of understanding on internal audit services that OIOS provides to UNHCR signed by the High Commissioner and the Under-Secretary-General of OIOS on 5 March 2018.

3. In the conduct of its audit work, OIOS adheres to the mandatory guidance issued by the Institute of Internal Auditors. The guidance includes the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.

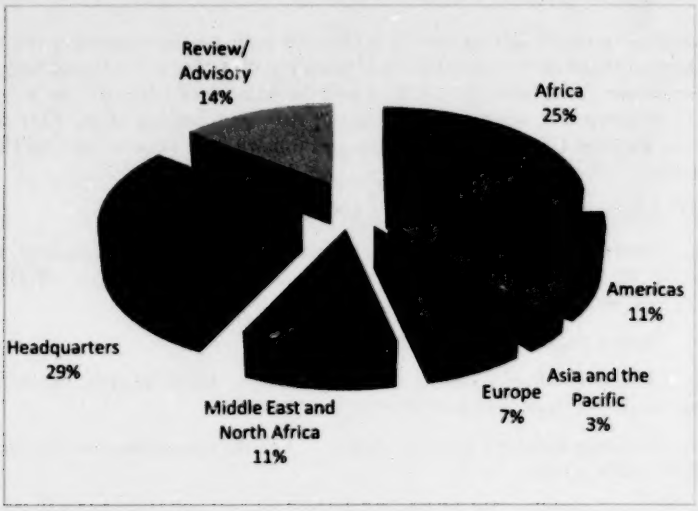
4. The General Assembly resolution that established OIOS called for it to be operationally independent. In addition, according to the International Standards for the Professional Practice of Internal Auditing, an internal audit function should have appropriate and sufficient resources to effectively achieve its mandate and implement its workplan. During the reporting period, there were sufficient resources and no inappropriate interference in determining the scope of internal auditing, in performing the work, and/or in communicating the results that would have impeded the independence of the OIOS internal audit function at UNHCR.

II. Overview of results

A. Audit coverage

5. OIOS completed 28 engagements during the reporting period (see annexes I, II and III). Figure 1 below shows the audit coverage of engagements by region and theme.

Figure 1 – Reports issued from 1 July 2017 to 30 June 2018 by region and theme



B. Audits of headquarters functions, thematic areas, and information and communications technology

6. OIOS completed eight headquarters, thematic and information and communications technology (ICT) audits during the reporting period, which are listed in annex I.

7. The reports for these audits contained 5 critical recommendations as well as 39 important recommendations. Brief summaries of the key results from these audits are provided below.

Audit of education grant entitlements

8. OIOS conducted an audit of education grant entitlements covering expenditure of $52.5 million and identified numerous errors in the processing of claims that had led to overpayments or underpayments. Since the audit also identified potentially fraudulent payments amounting to $275,448, there was an urgent need to enhance staff skills and strengthen procedures for identifying fraud indicators in education grant claims. In addition, there was a need to: (a) strengthen monitoring of the timely submission of claims and recovery of advances; (b) improve monitoring of education grant travel processes; and (c) ensure that proper scrutiny of education grant claims is not hindered by incomplete and inaccurate information provided by staff and difficulties to verify and confirm relevant information directly with the educational institutions. As at 30 June 2018, UNHCR had implemented one of the seven recommendations made.

Audit of shelter programmes

9. An audit of shelter programmes covering expenditure of $516 million concluded that capacity and knowledge management on settlement and shelter matters were generally adequate, and cluster management and coordination arrangements were satisfactory. However, UNHCR needed to: (a) clarify the scope of the Global Settlement and Shelter Strategy, strengthen monitoring of the quality and standards of country-level shelter strategies, and reinforce the capacity of field operations to conduct shelter needs

assessments; (b) enhance focus on urban shelter solutions in the strategic planning of shelter, and develop guidance and tools on the implementation of the "master plan" approach launched; (c) provide guidance on the construction and technical monitoring of shelter activities; (d) monitor and support the implementation of fire risk mitigation measures in Refugee Housing Unit shelters installed; and (e) enhance performance monitoring and reporting on settlement and shelter. As at 30 June 2018, UNHCR had implemented one of the five recommendations made.

Audit of the proGres version 4 registration and case management system

10. In the audit of the proGres version 4 registration and case management system covering expenditure of $19.6 million, OIOS concluded that there was a critical need to ensure adequate monitoring and reporting of the proGres version 4 project deliverables against the project scope, budget and timelines for the remainder of the project to prevent further cost overruns and delays. UNHCR also needed to conduct a gap analysis between system requirements and business needs; review the project roles and responsibilities; enhance user and performance acceptance testing; finalize and formally endorse the proGres version 4 global deployment strategy; strengthen planning and data migration procedures for the deployment of proGres version 4; and enhance user support and prioritization of proGres version 4 development needs. As at 30 June 2018, UNHCR had implemented one of the six recommendations made.

Audit of arrangements for staff accommodation

11. OIOS conducted an audit of staff accommodation covering expenditure of $9.8 million and rental income of $7.9 million. UNHCR had a well-articulated global vision, goals and objectives for staff accommodation but lacked action plans, monitoring controls and adequate funding to implement them. Currently, staff accommodation was not always sufficiently adequate to ensure the well-being of staff in field operations. There was an urgent need for UNHCR to: (a) revisit the governance and management accountability arrangements for staff accommodation; and (b) develop an action plan to ensure that field operations meet or exceed the minimum standards on living conditions. In addition, UNHCR needed to improve monitoring and control arrangements over the development and implementation of repair and maintenance plans and the execution of rental agreements with users, as well as strengthen controls over the accounting and reporting of rental income and expenditure related to staff accommodation. As at 30 June 2018, UNHCR had not yet fully implemented any of the five recommendations made but had initiated action to carry them out.

Audit of the Regional Bureau for Europe

12. The OIOS audit of the Regional Bureau for Europe, covering expenditure of $18.5 million, concluded that the Regional Bureau had effective controls over strategic planning and performance monitoring, and noted that it had initiated the revision of its organizational structure. However, it needed to strengthen arrangements over emergency preparedness and response, and its management support, monitoring and oversight role across the region. As at 30 June 2018, UNHCR had implemented two of the three recommendations made.

Audit of the use of telecommunication devices and telecommunication expenditure control and billing

13. OIOS conducted an audit of the use of telecommunication devices and telecommunication expenditure control and billing, covering expenditure of $42.3 million. UNHCR's Division of Information Systems and Telecommunications (DIST) had

established adequate arrangements for monitoring service delivery against contract terms for mobile and fixed line telephony, and successfully initiated the implementation of cost-saving measures in mobile telephony, which resulted in expenditure reduction in 2017. However, there was a need for DIST to: (a) review and update the UNHCR mobile and fixed line telephony policy; (b) improve controls over the allocation of telecommunication devices; (c) strengthen controls over the use of data roaming; (d) put in place a mechanism for timely verification of calls; and (e) establish effective arrangements for monitoring the use of official phones, including recovery of cost for private usage. As at 30 June 2018, UNHCR had not yet fully implemented any of the five recommendations made but had initiated action to carry them out.

Audit of the adequacy of the network bandwidth

14. The OIOS audit of the adequacy of the network bandwidth, covering expenditure of $24.0 million, concluded that UNHCR had established a process to assess the bandwidth capacity requirements in field operations and to monitor network performance. However, UNHCR needed to ensure that: (a) the guidance on the establishment of per capita bandwidth allocation is revised; (b) DIST plays a central role in bandwidth capacity planning, procurement and management for field operations; (c) monitoring of bandwidth usage is improved; (d) network optimization processes are implemented in locations where establishing quality of service is not feasible; and (e) there is adequate coordination between DIST and UNHCR's Division of Human Resources Management (DHRM) to provide internet connectivity at staff accommodation provided by UNHCR. As at 30 June 2018, UNHCR had not yet fully implemented any of the five recommendations made but had initiated action to carry them out.

C. Audits of field operations

15. OIOS completed 16 audits of UNHCR field operations during the reporting period, which are listed in annex II.

16. The reports for these audits covered expenditure totalling $1.3 billion and included 83 recommendations, of which 6 were rated as critical and 77 rated as important.

Systemic issues in audits of field operations

17. In the 16 audits of field operations completed in the reporting period, OIOS identified systemic issues in two primary areas. In partnership management, 13 recommendations were made in an equal number of audits. Two of these recommendations were assessed as critical. A recurrent control weakness in all of these 13 cases related to monitoring of projects implemented by partners. In vendor management and procurement, OIOS made 12 recommendations, two of which were critical, in 12 field audits. The recurring weaknesses related to: vendor registration in 9 cases, the functioning of the committees on contracts in 8 cases; and transparency and competitiveness of the procurement processes in 8 cases. Many of the recurrent issues in partnership management and vendor management and procurement have been raised by OIOS systematically in previous years and reported to management and governing bodies. OIOS therefore highlights how important it is that UNHCR management address the root causes of these weaknesses.

Assessment of the implementation of Enterprise Risk Management in audits of field operations

18. During the reporting period, OIOS systematically reviewed the field operations' implementation of the Enterprise Risk Management (ERM) framework launched by UNHCR in August 2014. Assessments were conducted during each audit, and the results

were included in the audit report on each field engagement. The objective of formal assessments was to provide information on the overall maturity of ERM in field operations and to draw lessons from it. OIOS noted that all the field operations audited in 2017 were generally complying with the ERM framework. However, the effectiveness of ERM processes was affected as such processes were not prioritized in most cases. This was because risk registers were viewed as a separate product as opposed to a management tool for actively identifying and managing risks that would impede the achievement of strategic and operational objectives. Risk management was not embedded in but viewed as an "add-on" to day-to-day management responsibilities of Representatives. The operations' inability to maintain up-to-date risk registers may have an effect on the timely identification and mitigation of risks. In order to embed ERM processes, OIOS was of the view that UNHCR's monitoring and review mechanisms should evolve from compliance to assessing the effectiveness of the established ERM processes. This will help move UNHCR from ERM compliance to a culture where the risk registers become an active management information and decision-making tool.

D. Review and advisory engagements

19. OIOS completed two review and two advisory engagements during the reporting period, which are listed in annex III. The reviews of recurrent issues raised in past audits of field operations contained six important recommendations. In advisory engagements, OIOS did not make any recommendations but highlighted areas for improvement. Brief summaries of the key results from these engagements are provided below.

Review of recurrent issues in monitoring and follow-up on accounts receivable in field operations

20. OIOS conducted a review of recurrent issues in monitoring and follow-up on accounts receivable, covering 20 internal audit reports on UNHCR's field operations which were issued between 1 January 2011 and 31 December 2016. To address the underlying institution-level root causes of recurrent control weaknesses, UNHCR needed to: (a) design a tool or template to assist regional bureaux in providing effective support to field operations and oversight over the management of receivables, and to support field operations in taking informed decisions on follow-up on accounts receivable and when to proceed with a write-off; (b) update and simplify the field guidelines on value added tax (VAT) with a focus on the essential detective and corrective controls that need to be followed consistently and systematically, including for record-keeping and reporting to Headquarters, to manage the recovery of VAT; and (c) strengthen central monitoring and reporting on reimbursement of VAT by host government. As at 30 June 2018, UNHCR had not yet fully implemented any of the three recommendations made but was in the process of carrying them out.

Review of recurrent issues in the distribution of non-food items in field operations

21. OIOS conducted a review of recurrent issues in the distribution of non-food items covering 67 internal audit reports on UNHCR's field operations, which were issued between 1 January 2014 and 31 December 2016. To address the underlying institution-level root causes of recurrent control weaknesses in the distribution of non-food items, UNHCR needed to strengthen management and accountability over non-food item distribution at Headquarters and in the field by: (a) developing a standard end-to-end process document for planning, delivery, monitoring and post-distribution monitoring of non-food item distribution with clear minimum criteria; (b) strengthening risk management over the distribution of non-food items by developing a catalogue of critical risks and potential mitigations; and (c) assigning accountabilities, responsibilities and authorities at

the Headquarters level for the distribution of non-food items. As at 30 June 2018, UNHCR had not yet fully implemented any of the three recommendations made but had initiated corrective action on them.

Advisory review of the implementation of the Enterprise Risk Management policy and procedures (framework)

22. OIOS conducted an advisory engagement on the status of the implementation of the ERM framework, covering the period after the entry into force of the ERM policy on 1 August 2014 until 30 June 2017. Three years after its adoption, the ERM framework was firmly in place and had gained acceptance, although it was yet to fully permeate through the organization. There was further scope for improving the ERM framework as UNHCR becomes more risk mature over time. OIOS identified 12 areas for improvement under four key themes. First, with respect to the governance of ERM, OIOS suggested clarifying the senior management role in discussing risks and the ERM framework. Second, regarding the management of strategic risks, OIOS suggested improving the information and analysis presented to senior management on strategic risks and disseminating widely the insights from this information. Third, on the management of risks at the division, bureau and field level, OIOS suggested strengthening the link between risk management and the operations management cycle, clarifying the role of regional bureaux in relation to risk management in field operations and sharing regularly and widely management information derived from ERM. Fourth, OIOS suggested some improvements on the functioning of the risks registers.

Advisory review of the implementation of risk management and control responsibilities of the second line of defence

23. OIOS conducted an advisory engagement on the review of the implementation of risk management and control responsibilities of the entities considered part of the second line of defence at UNHCR. In the review, OIOS made five suggestions, which, in its opinion, should be considered during UNHCR's ongoing change management process. These included: (a) clarifying the performance and compliance monitoring responsibilities of the second line of defence entities, and developing annual, risk-based monitoring plans at the regional level, led by regional bureaux; (b) formalizing functional reporting lines in the implementation of second line of defence responsibilities; and (c) designing the future organizational structure of UNHCR with due regard to the "three lines of defence" model that it has adopted.

E. Other ad hoc and informal advisory services

24. During the reporting period, OIOS provided ad hoc advisory and capacity development services to UNHCR as and when requested by headquarters entities or field offices. These related to various matters, such as governance, ethics, accountability, fraud prevention, ERM, internal control, results-based management, and policy development.

25. OIOS also conducted a training in March 2018 for staff of DHRM on detecting fraud in education grant claims in March 2018, participated in a regional workshop on cash-based interventions, and gave a presentation on relevant internal audit issues at a workshop on the management of the partnership process.

III. Status of implementation of recommendations

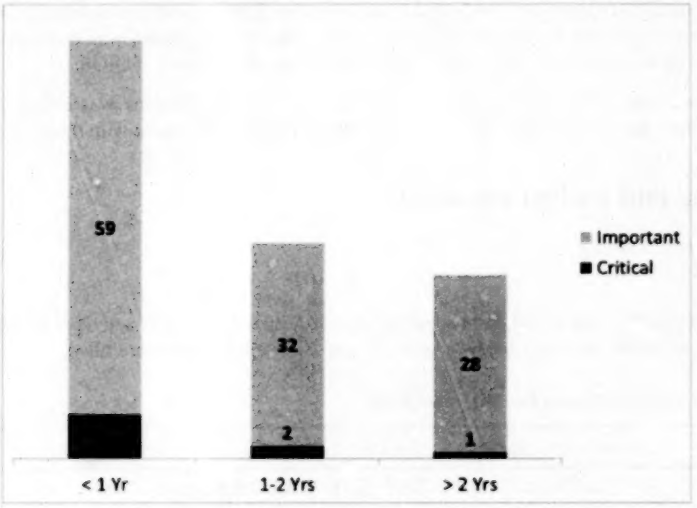
A. Overview of the reporting period

26. OIOS issued 133 recommendations for the 28 audits completed, out of which 122 (92 per cent) were important and 11 (8 per cent) were critical. The breakdown of the recommendations by audit report is provided in annexes I, II and III.

B. Overview of open recommendations

27. At the end of the reporting period, 129 recommendations were open, of which 119 were important and 10 were critical. Their ageing is shown in figure 2 below.

Figure 2 – Age and classification of open recommendations as at 30 June 2018



28. During the reporting period, the number of open recommendations decreased from 138 as at 30 June 2017 to 129 as at 30 June 2018.

29. A total of 29 open recommendations were over two years old at the end of the reporting period. A list of the audits which were the source of these recommendations is provided in annex IV.

C. Past due critical recommendations

30. Annex V provides details of the seven critical recommendations, the implementation of which was overdue, together with the last update on the progress made to date. OIOS is particularly concerned about one recommendation from the 2013 audit of UNHCR operations in Afghanistan relating to the recovery of overpaid project support costs of an international partner which amounted to $291,075. The recommendation is past its due date by almost four years without a new target date for completion provided by UNHCR.

D. Overview of closed recommendations

31. During the year, 149 recommendations were closed, all of which were fully implemented.

IV. Work planning

32. Annual risk-based workplans, covering the period 1 January to 31 December, were prepared for 2017 and 2018 in accordance with the risk-based process of OIOS. The selected engagements were discussed with UNHCR management to validate and confirm the areas identified for audit. OIOS also held discussions with the United Nations Board of Auditors (BOA), the Joint Inspection Unit (JIU), UNHCR's Evaluation Service and UNHCR's Inspector General's Office (IGO) as a way of minimizing duplication and optimizing oversight coverage. The draft workplan was also discussed with the Chief Risk Officer, the Head of the Ethics Office, the Ombudsperson, and the Head of Legal Affairs Service.

33. UNHCR's Independent Audit and Oversight Committee (IAOC) reviewed the 2018 work planning process and proposed engagements. The final workplan was endorsed by the High Commissioner and approved by the Under-Secretary-General of OIOS.

34. The status of the engagements in the 2017 and 2018 workplans was reported to UNHCR management on a quarterly basis and was periodically discussed with the IAOC.

V. Staffing and budget resources

A. Staffing

35. OIOS had a total of 26 posts approved and dedicated to UNHCR activities for 2017 and 2018, as shown in table 1 below. As at 30 June 2018, all 26 posts were filled.

Table 1 – Approved posts for 2017 and 2018

Location	*Geneva*		*Nairobi*		*Amman*		*Budapest*		*Total*	
Type of staff/ Year	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Professional	9	9	6	6	3	3	4	4	22	22
General Service	3	3	1	1	--	--	--	--	4	4
Total	12	12	7	7	3	3	4	4	26	26

B. Budget

36. Table 2 below shows the budgets provided for internal audit for 2017 and 2018.

Table 2 - Internal audit budgets for 2017 and 2018

Cost category	*2017*[1]	*2018*
Staff costs	$4,811,923	$4,962,000
Non-staff	$763,248	$878,533
Total	$5,575,171	$5,840,533

VI. Cooperation and coordination

A. Independent Audit and Oversight Committee

37. OIOS attended the two IAOC meetings held during the reporting period to discuss risk-based work planning, workplan implementation and audit process matters in general. The IAOC was encouraged by efforts being made to build the capacity of OIOS in auditing programmatic and protection areas. The IAOC also noted with appreciation the analyses developed by OIOS in its reports and advisory opinions, with which it fully concurred. The IAOC took specific note of the value of the OIOS advisory engagements conducted.

38. OIOS is highly appreciative of the IAOC's support of its internal audit work and welcomed all recommendations of IAOC during the year regarding internal audit at UNHCR.

B. UNHCR management

39. During the reporting period, OIOS met regularly with the High Commissioner, the Deputy High Commissioner, the two Assistant High Commissioners and the Chef de Cabinet to discuss matters relating to audit and oversight. OIOS also met with Directors of regional bureaux and divisions and Representatives on different occasions to discuss the timing, scope and objectives of, and issues arising from, specific audit and advisory engagements. Periodic meetings were held with the Controller, the Chief Risk Officer, the Head of the Ethics Office, the Head of Organizational Development and Management, the Principal Policy Adviser in the Executive Office, and the Director of Change Management on matters of mutual interest.

C. UNHCR Inspector General's Office

40. OIOS's interface on internal audit matters at UNHCR was for many years managed by the Division of Financial and Administrative Management (DFAM). As part of UNHCR's oversight reform, this interface was transferred to the IGO as of 1 August 2017. As a result of this arrangement, OIOS has taken over the responsibility of coordinating the internal audit process, which previously lied with DFAM, including: (a) working more

[1] In the report on internal audit in UNHCR for the period from 1 July 2016 to 30 June 2017 (A/AC.96/1170), the internal audit budget for 2017 indicated was $5,190,433. However, the figure shown in table 2 is $5,575,171, as there was an increase in the allotment for staff costs ($234,716) and non-staff costs ($150,022) in the last quarter of 2017.

closely with UNHCR managers of the audited operations, bureaux or divisions; and (b) monitoring the tracking, follow-up and reporting on internal audit recommendations. The IGO has assumed liaison responsibilities and provides administrative support to OIOS. OIOS has found that the new arrangements are working well and continuing to improve over time.

41. OIOS and the IGO met regularly during the reporting period to explore synergies and ways to improve information-sharing. Issues that arose during audits requiring investigation were referred to the IGO's Investigation Service for follow-up. Regarding previous referrals, OIOS periodically followed up with the IGO on the outcome of these referrals to ensure any internal control weaknesses identified are reviewed in future audits.

42. In addition, following the recommendations outlined in the report "Review of the Oversight Functions in UNHCR" by an external consultant engaged by UNHCR, consultative meetings continued to take place between OIOS and the IGO. Close cooperation resulted in the revision of the memorandum of understanding on the provision of internal audit services by OIOS to UNHCR. OIOS also worked closely with the IGO in the development of online training programmes on audit and oversight matters and the creation of the IGO's new Strategic Oversight function as part of an initiative towards a more integrated internal oversight architecture and assurance mapping at UNHCR. The IGO supported OIOS in designing and updating risk-based audit tools. The IGO also assisted in the organization of the annual retreat of the UNHCR Audit Service of OIOS held in April 2018 and facilitated numerous meetings held with the audit focal points in UNHCR's bureaux and divisions to discuss changes resulting from the oversight reform.

D. United Nations oversight bodies

43. OIOS met regularly with the BOA and the JIU to share information and minimize overlap in oversight activities. OIOS routinely shared workplans with the BOA and the JIU, notified them of audits during the planning stage, and provided them with copies of final reports.

44. OIOS also participated actively in the work of the Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions (RIAS) and attended the annual RIAS meeting in The Hague, which took place in September 2017. It also participated in a RIAS working group that explores ways of strengthening joint and coordinated audits of the response of the United Nations system to humanitarian emergencies.

VII. Professional practices development

45. To further enhance its work and capacity to deliver high quality impactful audits, OIOS continued to provide tools, practice guides and training in the areas of fraud auditing, performance auditing, data analytics, gender mainstreaming and risk culture. In order to guide the information and communications technology audit direction for UNHCR, a roadmap for information and communications technology auditing was developed for the 5-year period of 2018-2023. A programme was also designed to strengthen the capacity of internal audit staff in relation to audit of protection systems and procedures at UNHCR.

Annex I

Final reports issued from 1 July 2017 to 30 June 2018: headquarters functions, thematic areas, and information and communications technology

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
1	2017/070	Audit of information and communications technology security at the Office of the United Nations High Commissioner for Refugees	19-Jul-17	8	0
2	2017/119	Audit of arrangements for staff accommodation in field operations of the Office of the United Nations High Commissioner for Refugees	17-Nov-17	3	2
3	2017/124	Audit of the management of education grant entitlements at the Office of the United Nations High Commissioner for Refugees	01-Dec-17	5	2
4	2017/127	Audit of arrangements to ensure the adequacy of the network bandwidth in field operations of the Office of the United Nations High Commissioner for Refugees	06-Dec-17	5	0
5	2017/150	Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees	20-Dec-17	5	0
6	2018/021	Audit of the proGres version 4 registration and case management system at the Office of the United Nations High Commissioner for Refugees	29-Mar-18	5	1
7	2018/042	Audit of the arrangements for the use of telecommunication devices and telecommunication expenditure control and billing at the Office of the United Nations High Commissioner for Refugees	15-May-18	5	0
8	2018/068	Audit of the Regional Bureau for Europe for the Office of the United Nations High Commissioner for Refugees	29-Jun-18	3	0
			Total	39	5

Annex II

Final reports issued from 1 July 2017 to 30 June 2018: Field operations

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
1	2017/067	Audit of the operations in Chad for the Office of the United Nations High Commissioner for Refugees	12-Jul-17	6	0
2	2017/068	Audit of the operations in Somalia for the Office of the United Nations High Commissioner for Refugees	14-Jul-17	5	3
3	2017/096	Audit of the operations in Zimbabwe for the Office of the United Nations High Commissioner for Refugees	27-Sep-17	5	0
4	2017/098	Audit of the operations in India for the Office of the United Nations High Commissioner for Refugees	27-Sep-17	5	0
5	2017/103	Audit of the operations in Cameroon for the Office of the United Nations High Commissioner for Refugees	29-Sep-17	5	1
6	2017/105	Audit of the operations in Jordan for the Office of the United Nations High Commissioner for Refugees	17-Oct-17	4	0
7	2017/108	Audit of the regional operations for Central Europe in Hungary for the Office of the United Nations High Commissioner for Refugees	24-Oct-17	4	0
8	2017/116	Audit of the operations in Tunisia for the Office of the United Nations High Commissioner for Refugees	13-Nov-17	8	0
9	2017/151	Audit of the operations in Ecuador for the Office of the United Nations High Commissioner for Refugees	22-Nov-17	1	0
10	2017/149	Audit of the regional operations for South Caucasus in Georgia for the Office of the United Nations High Commissioner for Refugees	19-Dec-17	6	0
11	2018/003	Audit of the operations in the Republic of the Congo for the Office of the United Nations High Commissioner for Refugees	01-Feb-18	4	1
12	2018/005	Audit of the Regional Representation for Southern Africa for the Office of the United Nations High Commissioner for	02-Feb-18	7	1

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
		Refugees			
13	2018/016	Audit of the operations in northern Iraq for the Office of the United Nations High Commissioner for Refugees	22-Mar-18	6	0
14	2018/033	Audit of the regional operations for Latin America in Argentina for the Office of the United Nations High Commissioner for Refugees	27-Apr-18	5	0
15	2018/036	Audit of the operations in Brazil for the Office of the United Nations High Commissioner for Refugees	10-May-18	1	0
16	2018/049	Audit of the operations in Sudan for the Office of the United Nations High Commissioner for Refugees	25-May-18	5	0
			Total	77	6

Annex III

Final reports issued from 1 July 2017 to 30 June 2018: Review and advisory engagements

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
1	2017/097	Review of recurrent issues in internal audit reports on the distribution of non-food items in field operations of the Office of the United Nations High Commissioner for Refugees	27-Sep-17	3	0
2	2017/115	Advisory review of the implementation of the Enterprise Risk Management policy and procedures at the Office of the United Nations High Commissioner for Refugees	02-Nov-17	0	0
3	2017/157	Review of recurrent issues in internal audit reports on the monitoring and follow-up on accounts receivable in field operations of the Office of the United Nations High Commissioner for Refugees	29-Dec-17	3	0
4	2018/048	Advisory review of the implementation of risk management and control responsibilities of functions considered part of the second line of defence at the Office of the United Nations High Commissioner for Refugees	25-May-18	0	0
			Total	6	0

Annex IV

Recommendations open for more than two years as at 30 June 2018

Assignment number	*Report title*	*Report date*	*Important recommendations*	*Critical recommendations*	*Total recommendations*
AR2011/165/01	Audit of private sector fundraising at the Office of the United Nations High Commissioner for Refugees	18-Dec-12	1	0	1
AR2012/112/03	Audit of the operations in Ethiopia for the Office of the United Nations High Commissioner for Refugees	25-Mar-13	1	0	1
AR2012/112/02	Audit of the operations in Uganda for the Office of the United Nations High Commissioner for Refugees	27-Mar-13	1	0	1
AR2013/131/01	Audit of the operations in Iraq for the Office of the United Nations High Commissioner for Refugees	30-Dec-13	1	0	1
AR2013/141/03	Audit of the operations in Afghanistan for the Office of the United Nations High Commissioner for Refugees	30-May-14	1	1	2
AR2013/113/01	Audit of the operations of the Regional Office in South Africa for the Office of the United Nations High Commissioner for Refugees	27-Jun-14	1	0	1
AR2013/111/04	Audit of the operations in Niger for the Office of the United Nations High Commissioner for Refugees	30-Jun-14	1	0	1
AR2013/162/01	Audit of the management of the affiliated workforce at the Office of the United Nations High Commissioner for Refugees	30-Jun-14	1	0	1
AR2013/161/01	Audit of the delegation of authority framework at the Office of the United Nations High Commissioner for Refugees	18-Sep-14	1	0	1
AR2014/112/01	Audit of the Regional Support Hub in Kenya for the Office of the United Nations High Commissioner for Refugees	30-Dec-14	2	0	2
AR2014/115/03	Audit of the operations in Chad for the Office of the United Nations High Commissioner for Refugees	11-Jun-15	1	0	1
AR2014/161/01	Audit of the arrangements for official travel at headquarters and in field operations of the Office of the United Nations High Commissioner for Refugees	01-Sep-15	5	0	5
AR2015/166/01	Audit of information and communication technology hosting services provided by third parties to the Office of the United Nations High Commissioner for Refugees	30-Sep-15	1	0	1
AR2014/160/03	Audit of the arrangements for implementing partner personnel costs at the Office of the United Nations High Commissioner for	26-Oct-15	2	0	2

Assignment number	*Report title*	*Report date*	*Important recommendations*	*Critical recommendations*	*Total recommendations*
	Refugees				
AR2015/162/01	Audit of entitlements on appointment, reassignment and separation of staff at the Office of the United Nations High Commissioner for Refugees	24-Nov-15	3	0	3
AR2015/141/02	Audit of the operations in Thailand for the Office of the United Nations High Commissioner for Refugees	10-Dec-15	1	0	1
AR2015/141/05	Audit of the operations in Iran (Islamic Republic of) for the Office of the United Nations High Commissioner for Refugees	17-Dec-15	1	0	1
AR2015/113/01	Audit of the operations in Zambia for the Office of the United Nations High Commissioner for Refugees	24-Mar-16	1	0	1
AR2015/163/02	Audit of water, sanitation and hygiene programmes at the Office of the United Nations High Commissioner for Refugees	28-Mar-16	1	0	1
AR2015/112/02	Audit of the operations in South Sudan for the Office of the United Nations High Commissioner for Refugees	18-May-16	1	0	1
Total number of recommendations open for over two years			28	1	29

Annex V

Past due critical recommendations

Assignment number	*Assignment title*	*Recommendation*	*Last update*	*Report date*	*Target date*	*New estimated completion date*
AR2013/141/03	Audit of the operations in Afghanistan for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Afghanistan, in conjunction with the Bureau for Asia and the Pacific, should: (a) undertake a review of the project implemented by the partner to ascertain the extent to which project objectives were achieved and whether value for money was obtained; and (b) review payments made to the partner, in the context of the deliverables actually provided, and recover any payments that are considered to be excessive.	In May 2015, UNHCR stated that the Controller had sent a letter to the partner's Regional Office with a copy to its Headquarters with regards to the amount claimed. The partner responded to the letter by email on 7 April 2015 by again objecting to the claim. UNHCR then requested the partner to provide a reply to the Controller's letter by the designated officer in the partner's Headquarters and, in addition, asked the partner to provide clear documentation to substantiate the direct cost charged over and above the budget. No update has been provided to OIOS since that date.	30/05/2014	30/09/2014	Not provided
AR2016/110/05	Audit of the operations in Ethiopia for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Ethiopia, in coordination with the Bureau for Africa and the Supply Management and Logistics Service, should: (a) arrange for a comprehensive, independent review to be conducted to assess the structural, staffing and training requirements needed to address the systemic and persistent weaknesses in procurement and vendor management; and (b) develop a plan for completing the ongoing actions to regularize contracts and review past payments made for goods and services without contracts.	In their June 2018 reply, the Representation provided an update on the current status of contract regularization. In order to close the recommendation, OIOS would like to receive evidence that the contract regularization has been completed and that a comprehensive review of procurement and vendor management functions raised in the 2016 audit has been finalized.	15/03/2017	30/04/2017	Not provided
AR2016/110/05	Audit of the operations in Ethiopia for the Office of the	The UNHCR Representation in Ethiopia, in coordination with the Bureau for Africa and the Asset and Fleet Management Section, should review the arrangements over fleet	In their June 2018 reply, the Representation confirmed that the disposal of obsolete items had been institutionalized. Coordination with Headquarters had been strengthened to expedite	15/03/2017	30/04/2017	Not provided

Assignment number	*Assignment title*	*Recommendation*	*Last update*	*Report date*	*Target date*	*New estimated completion date*
	United Nations High Commissioner for Refugees	and fuel management in Ethiopia to ensure the implementation of appropriate controls over the determination of vehicle needs, disposal of vehicles, vehicle insurance schemes, and allocation and utilization of vehicles, and fuel and maintenance costs among partners and UNHCR offices.	the processes. The 2018 fleet planning was done through analysis of available data for both Administration and Programme Vehicles (i.e. vehicles allocated to partners). To close the recommendation, OIOS would like to receive evidence that the Representation has determined the size of its fleet based on documented operational requirements and that the rate of disposal of the fleet has been expedited.			
AR2017/111/02	Audit of the operations in Somalia for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Somalia should implement an action plan to ensure that: (a) risks associated with the selection and retention of partners, the designation of procurement authority to partners, the preparation of Project Partnership Agreements, and the monitoring of partners, including through remote mechanisms, are effectively managed; and (b) there is sufficient project control capacity to provide support for oversight of project activities.	In their April 2018 reply, the Representation provided an update on the recommendation, which was still in the process of being implemented. In order to close the recommendation, OIOS would like to receive confirmation that: (a) the cost-benefit analysis and assessment of partners' capacity to deliver has been systematically conducted; (b) monitoring plans for all 2018 project agreements have been signed by partners; and (c) the action plan to strengthen project control capacity has been implemented.	13-Jul-17	31-Jul-17	Not provided
AR2017/111/04	Audit of the operations in Cameroon for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Cameroon should put in place adequate coordination mechanisms and management oversight arrangements to ensure that the requirements for selection and retention of partners, the conclusion of project partnership agreements, the procurement designated to partners, and the financial and performance monitoring, including follow-up on recommendations raised in project audits and recovery of partner receivables, are systematically complied and the associated risks are effectively managed.	In June 2018, the Representation provided an update on the recommendation and the actions taken. To close this recommendation, OIOS would like the Representation to provide the assessments of designating procurement to partners for every partner entrusted with significant procurement, and evidence of a system implemented for follow-up on project audit recommendations, including for the recovery of questionable expenditure.	29-Sep-17	31-Dec-17	Not provided
AR2017/162/02	Audit of the	The UNHCR Division of Human Resources	In their June 2018 reply, DHRM provided an	1-Dec-17	30-Jun-18	Not

Assignment number	*Assignment title*	*Recommendation*	*Last update*	*Report date*	*Target date*	*New estimated completion date*
	management of education grant entitlements at the Office of the United Nations High Commissioner for Refugees	Management should: (a) use the ongoing deliberations on the harmonization of human resources policies and procedures United Nations-wide as an important opportunity to align UNHCR instructions and practices on education grant with those of the United Nations Secretariat and other United Nations system organizations; and (b) seek legal opinion on recovery of the payment of $52,270 incorrectly disbursed in contravention of the United Nations Staff Regulations and administrative issuances.	update on the actions taken to implement the recommendation. Upon review of the submission, OIOS closed recommendation 1(a). However, to close recommendation 1(b), OIOS would like to receive a copy of the legal opinion from the Legal Affairs Service on the recovery of the amount of $52,270.			provided
AR2017/163/01	Audit of the proGres version 4 registration and case management system at the Office of the United Nations High Commissioner for Refugees	The UNHCR proGres v4 team should strengthen the proGres v4 project governance by: (a) providing regular reports to the Information and Communications Technology Governance Board, highlighting significant variances in relation to deliverables and expenditure versus scope, timelines and budget, with adequate reasoning on the deviations; and (b) requesting a decision from the Board on the way forward in case of significant variances.	In their June 2018 reply, UNHCR provided an update on actions taken on the recommendation. The recommendation remains open pending receipt of evidence that the regular updates provided to the Information and Communications Technology Governance Board highlight significant deviations to the projects.	29-Mar-18	30-Jun-18	Not provided